

ATTACHMENT 1 TO CERTIFICATE OF PUBLIC GOOD

Conditions from Public Service Board Docket No. 7270 Order

1. Telephone Operating Company of Vermont LLC shall be designated as an Eligible Telecommunications Carrier ("ETC") pursuant to 47 U.S.C. § 254(e) and § 214(e)(2) for the service area previously designated for Verizon and Verizon may relinquish its designation as an ETC pursuant to 47 U.S.C. § 214(e)(4) and 47 C.F.R. § 54.205.

2. Telephone Operating Company of Vermont LLC shall continue to provide the nine services required of ETCs.

General Conditions

3. FairPoint Communications, Inc. ("FairPoint")¹ shall appoint a senior level person with responsibility for communicating with the Board and Department. The person's primary place of business shall be in Vermont.

4. If FairPoint and Verizon receive conditional or unconditional regulatory approval from the Maine Public Utilities Commission ("Maine PUC") or the New Hampshire Public Utilities Commission ("NH PUC"), FairPoint and Verizon shall provide notice to the Board and Department of Public Service ("Department") and provide a copy of the relevant orders, including any amendments to those orders.

5. If regulatory approvals from the Maine PUC or the NH PUC are conditional, approval in Vermont is conditioned upon subsequent review by this Board of the conditions imposed by those other regulatory bodies. The parties may not close the transaction until that subsequent Vermont review has been completed. The Board will provide an expedited procedure to review any such conditions.

6. Within 15 days of closing, FairPoint shall substitute itself for Verizon as a party in all proceedings before the Board, except Dockets No. 7183/7192.

7. Verizon New England Inc. shall not rely upon this transaction as a basis to contest the jurisdiction of the Board to investigate in Consolidated Dockets No. 7183/7192 allegations that

1. As used in this Certificate of Public Good, FairPoint shall include its subsidiaries Northern New England Telephone Operations Inc., Telephone Operating Company of Vermont LLC, and Enhanced Communications of Northern New England Inc.

Verizon New England Inc. participated in an alleged foreign intelligence program of the National Security Agency involving customer records.

Terms and Conditions of Service

8. FairPoint shall file tariffs, to be effective on the date of closing, that match the rates, terms and conditions in Verizon's current tariffs.

9. FairPoint shall be subject to the terms and conditions of the 2005–2010 Amended Incentive Regulation Plan (the "Incentive Regulation Plan") set out in Appendix A of the Board's Order of April 27, 2006, in Dockets 6959/7142 (including the 2005–2010 Amended Service Quality Plan set out in Appendix B), except as modified by this Order.

10. Through December 31, 2010, FairPoint shall not withdraw or increase the price on any regulated intrastate telecommunications service offered by Verizon under tariff as of the closing date of this transaction without the approval of the Board.

11. FairPoint shall prorate all volume pricing provided for in any tariff or other agreement so that the volume thresholds are reduced by the portion of the customer's volume that is generated in states outside of the acquired Verizon operations.

12. Notwithstanding any other provision of the Incentive Regulation Plan, the Board or the Department may seek rate reductions commensurate with any increase in Federal Universal Service Funding which the Vermont operation may be eligible to receive.

13. FairPoint shall assume Verizon's duty to provide annually a Performance Benchmark Report. FairPoint shall demonstrate that it has made arrangements to include all state-specific information currently described in that report.

14. FairPoint may not recover in rates any expenses related to the transaction or the transition from Verizon to FairPoint, including any acquisition premium or any increased costs which are due to FairPoint's need to develop and transition to new systems currently supported by Verizon, or which are incurred as a result of continued reliance on Verizon under the Transition Services Agreement.

Broadband

15. While meeting the statewide availability commitments for broadband set out in the Incentive Regulation Plan, FairPoint shall also provide broadband service to all access lines in at least 50% of its exchanges by the end of 2010.

- a. As used in this condition, "Broadband" means a data transmission rate of not less than 1.5 Mbps per second in at least one direction.
- b. FairPoint shall determine which exchanges it will serve with 100% broadband availability and publicly announce these exchanges as soon as possible, but no later than six months, after closing. Each exchange shall be contiguous with at least one other exchange (served by FairPoint or another company) with actual or planned 100% broadband availability.

16. Additional lines or line equivalents qualified for broadband service in the territory served out of the Burlington Central Office after July 1, 2005, shall be excluded from the number of additional lines qualified for broadband service for purposes of the calculations under the Incentive Regulation Plan.

Service Quality

17. FairPoint shall track on a monthly basis, Trouble Report Rates and Troubles Not Cleared in 24 Hours by exchange, and ensure that no exchange has a rate on any of these measures that exceeds twice the statewide standard. In addition, if the trouble report rate for any given wire center exceeds twice the statewide standard of 1.4 for three consecutive months, FairPoint shall develop a remediation plan to address the issues causing the higher trouble rate and file it with the Board and Department. Within 12 months of closing, FairPoint also shall develop and file with the Board and Department, an action plan for analysis and remediation of service quality issues for wire centers (other than those already addressed) where the trouble report rates have exceeded twice the statewide standard for at least three consecutive months.

18. If FairPoint fails to meet the performance baseline for the same service quality standard in three consecutive years, it shall file with the Board and Department an evaluation of the reasons for not meeting that standard and the proposed corrective actions.

19. FairPoint shall perform all of Verizon's obligations under the settlement in Docket 6957.

20. FairPoint shall complete any of the improvement projects that Verizon has identified to address localized service quality issues if Verizon has not completed those projects by the date the parties close the transactions.

21. Prior to conversion, FairPoint shall provide the Department with the codes to be used in the new trouble tracking system to ensure the codes will provide the same information as reported by Verizon, and ensure that the codes map to the Verizon system used as a basis for the report.

22. Within six months of closing, FairPoint shall report on: (1) progress in establishing a tracking system for new customer service requests; (2) whether it has established a goal reflecting good service; (3) the percentage of customer service requests meeting that goal, by month; and (4) a narrative describing improvements that have been made in joint operations with electric utilities when responding to requests for new service.

23. FairPoint shall provide a detailed management plan that addresses quality and service issues before the acquisition is approved. The plan should address the following.

- Organizational Structure and responsibility
- Implementing a regimented approach to the inspection of work
- Quality policies and metrics
- Process flow – engineering, construction, testing, and service provisioning
- Reducing error rate
- On time completion rate
- Training employees
- An analysis of data and improvement of data conversion

24. At closing, FairPoint shall adopt the Performance Enhancement Plan ("PEP") to support its service quality and broadband commitments.

25. Verizon shall deposit \$25.0 million with a neutral administrator to fund the set asides required under the PEP during 2008 and 2009.

26. During 2008 and 2009, FairPoint shall draw upon the fund for any money that it is required to set aside under the PEP. At the end of 2009, any amounts left in the fund provided by Verizon that have not been drawn upon due to fund set asides shall be returned to Verizon. In addition, if, by the end of 2010, FairPoint has spent less on remediation than the set-asides drawn from the funds provided by Verizon, FairPoint shall return the difference to Verizon.

Financial

27. FairPoint shall form a separate legal entity within the State of Vermont to separate all Vermont-related assets and liabilities, if any, from the assets and liabilities of other FairPoint regulated and non-regulated operations.

28. During the three years following the Closing Date, FairPoint shall make, on average, annual capital investments in Vermont in the following minimum amounts:

First Year	\$ 41,000,000.00
Average of First Two Years	\$ 40,000,000.00
Average of First Three Years	\$ 40,000,000.00

To assure investment in the network occurs as projected by FairPoint, total dividend payments by FairPoint to its common shareholders following the two year anniversary of the closing will be reduced the following year by the amount in which the annual average capital expenditures made in Vermont over the two years is less than \$40 million, and dividends paid in the year following the three-year anniversary will be reduced by the amount in which the annual average capital expenditures over the three-year period is less than \$40 million.

29. The following restrictions on FairPoint's dividends shall apply.

- (a) Beginning with the first full quarterly dividend paid after the closing of the Merger, FairPoint shall reduce its aggregate annual dividends payable on common stock (currently \$1.59 per share) by 35% which is effectively an annual reduction of approximately \$49.7 million from current projected levels after the Merger. FairPoint shall not be allowed to subsequently increase its per share dividend until this limitation is terminated pursuant to paragraph 36.

(b) FairPoint shall not declare or pay any dividend on the common stock of FairPoint following the end of any three consecutive fiscal quarters during which the Leverage Ratio exceeds 5.50 (reduced to 5.0 at and after the fifth full calendar quarter following the Closing Date) or the Interest Coverage Ratio is less than 2.25. FairPoint shall use funds that would otherwise be available to pay dividends but for this restriction to first repay outstanding borrowings under its revolving credit agreement and second to prepay Term Loan borrowings (unless the loan agreements require a different order of payment) until such repayments reduce the debt as of the end of the last respective quarter such that the Leverage Ratio is reduced to 5.5 or 5.0, respectively. (There will not be any limitation on dividends paid during the first two full fiscal quarters following the closing beyond the reduction agreed to in paragraph (a).)

(c) FairPoint shall limit the cumulative amount of payments of dividends on its outstanding common stock (excluding the first two full quarterly dividend payments after the closing) to not more than the cumulative adjusted free cash flow (before dividends) generated from and after the Closing Date.

(d) The conditions in paragraphs (b) and (c) will not be effective until the third full fiscal quarter following the closing, to be consistent with the proposed credit agreement. For all purposes herein, Leverage Ratio shall be defined as the ratio of Total Indebtedness to Adjusted EBITDA. In calculating the Leverage Ratio, for purposes herein, FairPoint shall use the outstanding gross debt amount reduced by any available cash balance, provided that the amount of cash netted against gross debt shall be no more than \$25 million. The definitions of Total Indebtedness and Adjusted EBITDA shall be the same as those contained in FairPoint's current loan documents and as modified by the terms of the new loan documents.

30. Beginning in the first quarter of 2009, FairPoint shall pay the higher of \$45,000,000 annually, or 90% of annual Free Cash Flow, to be applied equally in each fiscal quarter, towards the permanent reduction of the principal amount of the Term Loan(s). Free Cash Flow is defined as the cash flow remaining after all operating expenses, interest payments, tax payments, capital expenditures, dividends and other routine cash expenditures have occurred. (For the first year of operations, this calculation would include all adjustments permitted by the current and the new loan documents.)

31. The requirements and conditions in paragraphs 34(a), (b) & (c) and 35, above, shall terminate upon FairPoint achieving a Leverage Ratio of 3.5 for any three consecutive fiscal quarters, provided that if within two years of the end of such three consecutive fiscal quarters achieving the Leverage Ratio of 3.5, the Leverage Ratio exceeds 4.0 for any three consecutive quarters, the limitations and conditions in paragraphs 34(a), (b) & (c) and 35 shall become

effective and remain effective until the earlier of five years after the end of such three consecutive fiscal quarters achieving a Leverage Ratio of 3.5 or ten years after the closing date. In any event, the limitations and conditions in paragraphs 34(a), (b) & (c), 35, and 36 shall terminate no later than ten years after the closing date. (For the purpose of clarity, if over the ten-year period FairPoint does not achieve the Leverage Ratio of 3.5 for three consecutive quarters, the limitations and conditions remain in effect over the entire ten-year period.)

32. Verizon shall provide at or before closing a contribution to Spinco that will increase Spinco's working capital in the amount of \$235.5 million in addition to the amount specified for working capital in the Distribution Agreement as of the date hereof. FairPoint shall use \$235.5 million to repay permanently (or otherwise not incur), not later than 30 days after the closing of the Merger, the Term Loan or the Spinco Securities issued or incurred at closing.

33. If on December 31, 2011, FairPoint's Leverage Ratio of Total Indebtedness to Adjusted EBITDA, as calculated in accordance with the Amended Maine Stipulation dated December 21, 2007, is 3.6 or higher, FairPoint shall reduce its debt by \$150 million by December 31, 2012 (and FairPoint shall also comply with the debt reduction provision of the Amended Maine Stipulation dated December 21, 2007, if it is in effect at that time). If the debt reduction is not accomplished by December 31, 2012, FairPoint shall suspend its dividend until the bank debt is refinanced.

Regulation of FairPoint Vermont

34. The FairPoint Vermont, Inc., d/b/a FairPoint Communications ("FairPoint Vermont"), lines shall be excluded from measurements of progress toward the Incentive Regulation Plan's broadband deployment milestones.

35. The election of FairPoint Vermont under 30 V.S.A. Section 227d is terminated; FairPoint Vermont shall be included in the provisions of the Incentive Regulation Plan related to changes in pricing, terms, and conditions of service.

36. FairPoint Vermont shall comply with the Annual Investment requirement of the Incentive Regulation Plan.

Poles

37. All dual poles shall be inventoried and a detailed work plan established within six months of closing.

38. FairPoint shall remove all dual poles existing on the date of closing within its service area within 30 months of closing.

39. Before closing, Verizon shall establish an Overdue Pole Work Escrow Fund of \$6,700,000 with a neutral administrator. The fund shall be available to FairPoint to compensate it for costs associated with removing the dual poles. The balance, with interest, shall be refunded to Verizon when FairPoint certifies that the work has been completed.

Emergency Response

40. FairPoint shall adopt written emergency protocols for each electric utility in its serving area. The protocols shall be filed with the Board and the Department by closing. If possible, the protocols shall be jointly adopted with the relevant electric utility.

41. No later than six months after closing, FairPoint shall file a demonstration that it has used its best efforts to enter into mutual aid agreements with comparably-sized or larger carriers in case of a natural disaster or other widespread emergency and file copies of any agreements that it has entered into.

Cutover and Transition

42. FairPoint shall hire an Independent Monitor acceptable to it and to the Department. The scope of work of the Independent Monitor shall be as defined in the Three-State Independent Monitor Statement of Scope, which was entered into evidence in this Docket as exh. WL-6.

43. The Independent Monitor will generate key deliverables as specified in the Three-State Independent Monitor Scope of Work, including draft final reports for review by the Board and interested parties, and will participate in a status conference with the Board, prior to cutover, to present and answer questions from the Board on FairPoint's cutover readiness. In addition, the Department shall file copies of all written reports from the Independent Monitor with the Board.

44. Until FairPoint is obliged to give notice to Verizon to activate cutover on a specific date, the Board may order that cutover be delayed, if it has substantial concerns about FairPoint's readiness.

45. The cost of retaining the Independent Monitor shall be funded by FairPoint.

46. FairPoint shall conduct a post-cutover "switch to bill to tariff" comparison to determine the accuracy of the converted billing records. This review shall involve sampling the customer base represented on multiple representative switches to determine the degree to which products that are provisioned on the switch are actually being billed to the customer, and that the products that are being billed to the customer meet the tariff requirements. The review should examine not only the accuracy of the conversion, but also the accuracy of the current switch profiles, and the quality of the source billing data as it relates to the switches and tariffs. The review shall be completed no later than nine months after cutover and filed with the Board and parties to this docket.

47. FairPoint shall conduct a billing audit within six months of cutover. The audit will be a statistically valid sampling of representative billing output from multiple billing cycles. This review would include full invoice verification. FairPoint may perform the audit in conjunction with the "switch to bill to tariff" comparison and standard revenue operations production reviews.

48. FairPoint shall create a plan no later than 12 months after closing to transition and train Verizon employees, who are accustomed to Verizon's procedures, into FairPoint's operational processes. FairPoint shall establish its own written policies and procedures. FairPoint shall file these policies and procedures in a timely manner with the Board and Department, along with the transition plan.

49. Beginning with the 3rd bill sent to customers under the new FairPoint billing systems and continuing for 18 monthly bills, in each such month in which the bill provided contains an error FairPoint shall provide each retail customer a credit of \$5.00 (in addition to refunding any over-billing). The bill credit shall not apply to inconsequential typographical errors.

50. The Independent Monitor, established to ensure FairPoint's system conversion process is implemented in a manner which eliminates risk to customers, should include as one of its criteria

an assurance that FairPoint's systems comply with the market opening requirements of the 1996 Act.

Competition

51. FairPoint shall be an incumbent local exchange carrier ("ILEC") subject to all of the obligations of Section 251 of the Federal Telecommunications Act of 1996 (the "Act"), including but not limited to the obligation to provide access to unbundled network elements (UNEs) wherever "impairment" exists pursuant to Sections 251(c)(3) and 251(d)(2)(B) of the Act, and the requirement to abide by the negotiation/arbitration process prescribed in section 252 of the Act.

52. FairPoint shall not seek or assert "rural telephone company" classification for FairPoint for purposes of the Section 251(f)(1) rural exemption from Section 251(c) of the Act. This condition does not prevent FairPoint from seeking or accepting designation of FairPoint as "rural" solely for purposes of qualifying for universal service funding or similar support from federal or state programs.

53. FairPoint shall not now or in the future seek any suspension or modification of any of FairPoint's 251(b) or (c) obligations pursuant to Section 251(f)(2) of the Act. This includes FairPoint's local number portability obligations under Section 251(b)(2).

54. For three years following the closing date of the Merger, FairPoint shall not reclassify as non-impaired any of FairPoint's wire centers in Vermont that are not currently classified as non-impaired. Thereafter, FairPoint shall provide separate notice if and when it decides to withdraw unbundled access to such transport in accordance with applicable tariff, contractual and regulatory notice requirements.

55. FairPoint shall adopt all of Verizon's interconnection agreements and other contracts. Where a contract cannot be adopted, FairPoint shall implement contracts that mirror the rates, terms and conditions in Verizon's contracts.

56. FairPoint shall adopt the Statement of Generally Available Terms ("SGAT") in effect as of the Merger closing date and the Vermont SGAT shall remain in place with rates capped at then-current levels for three years following the Merger closing date. Services available pursuant to said SGAT, as may be amended from time to time in accordance with applicable law

(including the conditions in this Order) shall be made available to the competitive local exchange carriers ("CLEC") in accordance with the terms thereof.

57. At closing and until modified through relevant procedures, FairPoint shall implement the same rates, terms and conditions and follow the same processes, for all services offered by Verizon to wholesale customers including CLECs under contract, the SGAT or tariffs prior to close by FairPoint.

58. FairPoint shall extend in writing all inter-carrier agreements in effect as of the Merger closing date for three years following their stated expiration date. Such extension shall not affect the right of a CLEC to terminate an agreement pursuant to the agreement's provisions. Either party may commence negotiation of a new agreement within nine months prior to the expiration of such extended term.

59. For agreements that have expired or are renewed only on a month-to-month basis as of the Merger closing date, FairPoint shall extend the then-current rates and other terms in writing for three years following the Merger closing date. Such extension shall not affect the right of either party to extend such agreements further on a month-to-month basis following the expiration of such three-year term, if the terms of the agreement permit such unilateral month-to-month extensions. Either party may commence negotiation of a new agreement within nine months prior to the expiration of the three-year extension term.

60. FairPoint shall cause all volume pricing provided for in either type of agreement described above, or in tariff-based volume discount programs, to be pro-rated so such volume pricing terms will be deemed to exclude volume requirements from states outside of the three-state area served by FairPoint following the Merger closing date. FairPoint shall work with CLECs and Verizon to provide them the same benefits in the aggregate as those provided by the existing Verizon volume discount arrangement; however, in the event that a CLEC chooses to reduce its spending in the FairPoint service territory post-closing, FairPoint is not required to hold such CLEC "harmless" in the amount of credit it receives under such volume discount arrangement.

61. FairPoint shall offer three-year agreements for tandem transit service, with rates capped at the current tandem transit rates for wholesale customers that agree to a three-year minimum term commitment.

62. FairPoint shall comply with number porting intervals and trunk ordering rules and intervals as may be set forth within existing tariffs, interconnection agreements or other agreements, as the case may be. Otherwise, FairPoint shall comply with industry standard number porting intervals and trunk ordering rules and intervals.

63. FairPoint shall provide as "Settlement Items" all Section 271(c)(2)(B) "competitive checklist" network elements and services to the extent that the FCC rules or has ruled that Bell Operating Companies ("BOCs") in general are required to provide such elements and services, now or in the future, at rates, terms and conditions that are just and reasonable, and not unreasonably discriminatory, as if governed by Sections 201(b) and 202(a) of the Act as interpreted by the FCC, subject to the rights of negotiation and of review set forth in this section. If the U.S. Supreme Court should reverse the decision of the U.S. Court of Appeals for the First Circuit in *Verizon New England, Inc. v. Maine Public Utilities Commission*, Case Nos. 06-2151, 06-2429 (slip op. Sept. 6, 2007), then FairPoint will provide as "Settlement Items" such Section 271(c)(2)(B) elements and services as BOCs generally may be required to provide under applicable law. In the event the FCC through a final order delegates to the State of Vermont or the State of New Hampshire the authority to determine what elements and services must be provided by BOCs under Section 271(c)(2)(B), then this condition shall be modified accordingly. Nothing herein shall limit the right of FairPoint or any of the parties to the CLEC Settlement to seek reconsideration or review of any such FCC order.

- a. FairPoint may cease providing any Settlement Item in the event that the FCC, a state utility regulatory commission or a court (in each case having competent jurisdiction and authority) (each a "Governmental Authority") determines that such item is not required to be provided pursuant to applicable law.
- b. In the event a CLEC requests in writing that FairPoint provide in Vermont a Settlement Item required to be provided under this condition, and not the subject of a determination described in subparagraph a, FairPoint and the CLEC will engage in good faith negotiations to reach agreement on the rates, terms and conditions pursuant to which FairPoint will provide such Settlement Item. In the event that FairPoint and the requesting CLEC are unable to reach agreement within nine

months from the date FairPoint receives such written request, the CLEC shall have the right to seek resolution of any disputed rates, terms or conditions from the Board. The FCC's rules, regulations, orders and policies applicable to the definition of the corresponding item under Section 271(c)(2)(B) of the Act and the rates, terms and conditions at which such item must be provided by BOCs shall govern the Board's determinations in any such dispute resolution proceeding. Each Party to such dispute shall have the right to seek review in a court of competent jurisdiction of any state utility regulatory commission action relative to any Settlement Item, including any state utility regulatory commission order asserting that FairPoint is required to provide an element or service pursuant to this condition above, or setting rates, terms or conditions or asserting a pricing standard for any Settlement Item. None of the Parties will challenge the jurisdiction of the court of competent jurisdiction in which the dispute arises to apply FCC precedent to decide any such review proceeding that may be initiated hereunder. In addition, in any such review proceeding, none of the parties to the CLEC Settlement will challenge the jurisdiction of the state utility regulatory commission to resolve disputes over Settlement Items as provided in this subsection provided that the parties have first engaged in good faith negotiations as required herein, and provided further that in any such dispute resolution process the state applies the FCC's rules, regulations, orders and policies applicable to the definition of the corresponding item under Section 271(c)(2)(B) of the Act and the rates, terms and conditions at which such item must be provided by BOCs as agreed herein (or such alternative body of law, if any, as may be identified by the U.S. Supreme Court if that court should reverse the decision of the U.S. Court of Appeals for the First Circuit in *Verizon New England, Inc. v. Maine Public Utilities Commission*, Case Nos. 06-2151, 06-2429 (slip op. Sept. 6, 2007)).

64. For a period of three years following closing, FairPoint shall provide wholesale DSL and line sharing where available (provided that the purchaser employs non-interfering technology), subject to the following conditions.

- a. FairPoint will provide wholesale DSL solely for the purpose of a CLEC's provision of end-user DSL service for three years following the Merger closing date, at a rate not to exceed 82% of FairPoint's lowest-priced retail rate advertised for stand-alone residential DSL service in Vermont.
- b. At the CLEC's option, FairPoint shall provide line sharing either (A) at rates set in existing agreements, for the duration of the respective agreements and for an extended term expiring on the date which is three years following their stated expiration date (or three years following the Merger closing date in the case of agreements that remain in effect on a month-to-month basis as of the Merger closing date) at the price specified in the applicable agreement, or (B) for a period of three years following the Merger closing date (pursuant to a tariff provision providing that the offering shall expire by its own terms upon the expiration of such three-year period, unless FairPoint voluntarily extends the term) at a tarified rate of \$30.00 per

line (non-recurring charge), plus a recurring charge of \$6.00 per line per month (non-recurring charges will apply only to lines for which line sharing is not being provided by Verizon as of the Merger closing date).

- c. FairPoint's offering of wholesale DSL or line sharing does not constitute its agreement that these services are required to be offered by BOCs under Section 271(c)(2)(B) of the Act or as a result of FairPoint's commitment to provide Settlement Items; if it should be determined that either offering is so required, the rates set out in this condition will constitute rates that are just and reasonable, and not unreasonably discriminatory, within the meaning of Section 201(b) and 202(a) of the Act and Condition 58 above, for the three-year term described herein.
- d. FairPoint's obligations under this subsection are independent of any obligation FairPoint has to provide network elements or services under applicable law.
- e. At the end of the three-year period referenced herein, FairPoint may, at its sole discretion, withdraw any offering of line sharing or wholesale DSL pursuant to this section that may then be in effect, including in any state tariff or SGAT. FairPoint will provide at least six months' advance notice of any withdrawal of line sharing or wholesale DSL, and the CLECs agree that such notice will constitute adequate and reasonable notice under applicable law.

65. FairPoint shall not file any new forbearance petition seeking relief from any of FairPoint's Section 251 obligations or obligations to provide access to Settlement Items in any wire center in Vermont for three years after the Merger closing date. FairPoint shall not be prohibited from pursuing rights of review or clarification or from enforcing any forbearance grant arising from a prior Verizon petition. In such event, the three-year period following the Merger closing date shall constitute a reasonable transition period, and no CLEC shall seek any additional transition beyond such three-year period before FairPoint may give effect to any such forbearance authority.

66. FairPoint shall not file any new forbearance petition seeking non-dominant treatment for the acquired territory for three years after the Merger closing date. Nothing herein will restrict FairPoint from enforcing any forbearance from dominant carrier regulation already granted to Verizon (by operation of law or otherwise) in the acquired territory.

67. FairPoint shall comply with the requirements of Section 272(e) of the Act.

Performance Assurance Plan

68. FairPoint shall adopt and be subject to the Performance Assurance Plan ("PAP") that now applies to Verizon in Vermont. FairPoint shall adhere to the applicable PAP and Carrier-to-Carrier Guidelines in Vermont and shall be subject to the potential penalties and enforcement mechanisms set forth in those documents. The terms and conditions of the PAP shall remain in effect and applied to FairPoint until the Board orders a successor PAP. FairPoint has agreed not to challenge the Board's jurisdiction to enforce the PAP.

69. Any CLEC may seek enforcement of the PAP, even if such right is not expressly incorporated in the interconnection agreement, tariff or SGAT pursuant to which the CLEC purchases service.

70. After the Merger closing date, FairPoint shall work cooperatively with the CLECs and state utility regulatory staff in good faith to develop and implement a simplified, uniform PAP applicable to FairPoint in Maine, New Hampshire and Vermont. FairPoint shall begin this process by proposing for consideration by the CLECs a revised PAP that could be implemented in all three states.

71. FairPoint shall be responsible for the performance of all of FairPoint's wholesale OSS post-Cutover, in accordance with the terms of the PAP.

Miscellaneous Competitive Conditions

72. No later than six months after closing, FairPoint shall, after consultation with its wholesale customers file a proposal to the Board for a "Rapid Response Team" to address issues with wholesale customers arising from the transition from Verizon to FairPoint.

73. FairPoint shall identify the account team or single point of contact assigned to each CLEC.

74. FairPoint shall not pass through to CLECs any acquisition expenses, fees and expenses under the Transition Services Agreement ("TSA") or training expenses incurred by FairPoint in connection with the Merger or the transition to new operating systems. FairPoint may seek to include in future FairPoint rate cases and cost studies (including but not limited to a future UNE rate proceeding) those capitalized costs arising out of development of new systems which replace

systems used as of the Merger closing date by Verizon or its affiliates (including those replacing systems Verizon obtains from third parties), subject to normal review and regulation by the Board.

75. FairPoint shall provide, without charge, training in accordance with the training plan that it develops in accordance with Attachment 1 to the Stipulated Settlement Terms among FairPoint and certain CLECs filed with the Board. FairPoint shall continue to make available to CLECs the types of information that Verizon currently maintains and disseminates to CLECs regarding Verizon's systems and business rules and practices, including the CLEC Manual, industry letters and the change management process. Any CLEC that currently does not receive such materials (for example, because it takes service from the wholesale tariff without an interconnection agreement) may receive such materials upon request. FairPoint shall maintain the CLEC user forum process currently employed by Verizon.

76. FairPoint shall arrange a meeting with wholesale customers approximately six months following cutover to discuss customer concerns and questions. Meeting participants will be expected to inform FairPoint of concerns and questions in advance of the meeting so as to enable FairPoint to respond at or before the meeting.

77. FairPoint shall not request any increase in any of its tariffed rates for interstate or intrastate tariffed special access circuits to be effective within the three years following the Merger closing date, unless required by law. FairPoint may commence a proceeding or proceedings seeking an increase in such rates prior to the expiration of such three-year period provided that the effective date of the new rates shall not be before the end of such three-year period.

78. FairPoint shall not withdraw any of its currently tariffed interstate or intrastate offering of special access circuits offering for three years after the Merger closing date, unless required by law. This condition does not prevent FairPoint from withdrawing other services offered under the special access tariffs, including high-speed, packetized broadband services previously tariffed by Verizon but authorized by the FCC to be withdrawn from the interstate special access tariff.